

The City Council met in regular session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written in the Council Chamber, City Hall.

Present:	Brian Calhoun	Councilmember
	Brad Castillo	Acting Council President
	Mike Dages	Councilmember
	Jerry Duncan	Councilmember
	Henry Perea	Councilmember
	Cynthia Sterling	Councilmember
	Tom Boyajian	Council President

Dan Hobbs, City Manager
Andy Souza, Assistant City Manager
Jim Sanchez, Chief Assistant City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

Jeremy Lindsey, Church of Jesus Christ of Latter Day Saints, gave the invocation, and Central Grizzlies second base player Andie Lewis led the Pledge of Allegiance to the Flag.

PROCLAMATION OF CENTRAL GRIZZLIES 16 AND UNDER SOFTBALL TRAVEL TEAM DAY - PRESIDENT BOYAJIAN

PROCLAMATION OF SAM'S DELI DAY - COUNCILMEMBER PEREA

ADD-ON: RESOLUTION OF COMMENDATION FOR RIVERSIDE GOLF COURSE

The above proclamations and resolution were read and presented.

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APPROVE MINUTES OF JUNE 24, 27 AND 30, 2003

On motion of Councilmember Sterling, seconded by Councilmember Perea, duly carried, RESOLVED, the minutes of June 24, 27 and 30, 2003, approved as submitted.

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COUNCILMEMBER REPORTS AND COMMENTS:

CONTINUED ILLEGAL SELLING OF USED VEHICLES AT HEALD COLLEGE PARKING LOT - ACTING PRESIDENT CASTILLO

Upon request of Acting President Castillo, City Manager Hobbs advised staff would look into the matter and enforce the recently adopted ordinance.

COMMENDATION TO MICHAEL McHATTEN, LINDSEY MILLER AND FORREST DEAN, PARKS AND RECREATION, FOR OPENING OF NEW SOCCER PARK NEXT TO MOSQUEDA COMMUNITY CENTER; AND TO JET LIM AND BARBARA MILLER, CODE ENFORCEMENT, FOR ALL THEIR EFFORTS IN SOUTHEAST FRESNO - COUNCILMEMBER DAGES

Commendations made.

THANK YOU TO ACTING PRESIDENT CASTILLO FOR DONATION OF OAKLAND A's BASEBALL TICKETS FOR SOUTHEAST BASEBALL LEAGUE AND PARKS AND RECREATION FOR FOOD AND BUS TRIP TO OAKLAND - COUNCILMEMBER DAGES

happy.

COMMENDATION TO MATT VAN VALKENBERG AND PATTI MILLER, AIRPORTS, FOR THEIR ASSISTANCE IN SENDING OFF THE INTERNATIONAL COCA-COLA TOURNAMENT SOCCER CHAMPIONS TO MEXICO CITY - COUNCILMEMBER DAGES

Commendation made.

REPORT ON MEETING OF COUNCILMEMBER CALHOUN, ACTING PRESIDENT CASTILLO AND CITY MANAGER HOBBS WITH THE MADERA COUNTY BOARD OF SUPERVISORS - COUNCILMEMBER CALHOUN

Councilmember Calhoun reported on a meeting held two weeks ago stating it came down to planning issues and explained, and advised the next joint meeting with Madera would be September 23rd at the Exhibit Hall. Acting President Castillo and City Manager Hobbs spoke further to the meeting and issues that would be discussed.

CENTRAL GRIZZLIES SOFTBALL TRI-TIP DINNER ON JUNE 19, 2003 - COUNCILMEMBER STERLING

Councilmember Sterling advised the location for the dinner was Central High School.

COMMENDATION TO FRESNO HIGH SCHOOL ON RECEIVING THE INTERNATIONAL BACCALAUREATE PROGRAM - PRESIDENT BOYAJIAN

Commendation made with Councilmember Calhoun also extending his congratulations stating very few schools had the program.

President Boyajian commended City Manager Hobbs on breaking 100 in golf for the first time.

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APPROVE AGENDA:

(2-B) BILLS FOR ADOPTION RELATING TO RECOVERY OF COSTS AND PENALTIES INCURRED OR IMPOSED

- 1. * BILL NO. B-58 - ADDING ARTICLE 20 TO CHAPTER 9 OF THE FRESNO MUNICIPAL CODE RELATING TO HAZARDOUS SPILLS EXPENSE RECOVERY**
- 2. * BILL NO. B-59 - AMENDING THE FRESNO MUNICIPAL CODE RELATING TO RECOVERY OF COSTS AND PENALTIES INCURRED OR IMPOSED IN ENFORCEMENT OF NUISANCE ABATEMENT ACTIONS**

Assistant City Manager Souza advised the staff report recommendation to adopt the Master Fee Schedule amendments should be stricken and clarified the only issue this date was adoption of the two ordinances.

(8:30 a.m. "C") CONSIDER TAKING CERTAIN ACTIONS RELATING TO FINANCING PUBLIC IMPROVEMENTS FOR THE ROEDING BUSINESS PARK REDEVELOPMENT PROJECT AREA - MARKS AVENUE IMPROVEMENTS INCLUDING WATER, SEWER AND STORM DRAIN LINES, CANAL RELOCATION, RELATED BRIDGES, WATER SUPPLY WELL, LANDSCAPED BUSINESS PARK ENTRANCE, AND IDENTIFICATION SIGN - PHASE III PROJECT (FOUR (4) RESOLUTIONS AND DIRECTIONS TO STAFF)

Removed from the agenda.

On motion of Acting President Castillo, seconded by Councilmember Sterling, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

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ADOPT CONSENT CALENDAR:

(1-A) APPROVE APPOINTMENT OF JOHN SHEHADEY TO THE BICYCLE/PEDESTRIAN ADVISORY COMMITTEE - COUNCILMEMBER DUNCAN

(1-C) RESOLUTION NO. 2003-214 - APPROVING THE SUMMARY VACATION OF A PORTION OF STATE STREET SOUTHWEST OF GOLDEN STATE BOULEVARD AND A PORTION OF GOLDEN STATE BOULEVARD SOUTHEAST OF STATE STREET

(1-D) RESOLUTION NO. 2003-215 - APPROVING THE SUMMARY VACATION OF A PORTION OF A PUBLIC UTILITY EASEMENT NEAR WEST AND WEBER AVENUES

(1-E) APPROVE A REIMBURSEMENT AGREEMENT WITH THE COUNTY OF FRESNO FOR THE REPLACEMENT OF HERNDON CANAL BRIDGE AT PALM AVENUE, AND AUTHORIZE THE PUBLIC WORKS DIRECTOR TO SIGN ON BEHALF OF THE CITY

(1-F) RESOLUTION NO. 2003-216 - INTENT TO ANNEX FINAL TRACT NO. 4683 TO CITY OF FRESNO COMMUNITY FACILITIES DISTRICT NO. 2, ANNEXATION NO. 49

(1-G) RESOLUTION NO. 2003-217 - INTENT TO ANNEX FINAL TRACT NO. 5029 TO CITY OF FRESNO COMMUNITY FACILITIES DISTRICT NO. 2, ANNEXATION NO. 53

(1-L) RESOLUTION NO. 2003-218 - CONTINUING A LOCAL EMERGENCY RELATING TO THE FIRE AT ARCHIE CRIPPEN EXCAVATION IN THE VICINITY OF MARKS AND NEILSEN AVENUES

On motion of Acting President Castillo, seconded by Councilmember Dages, duly carried, **RESOLVED**, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

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The City Council recessed at 9:19 a.m. and convened in joint session with the Redevelopment Agency.

(8:30 A.M.) JOINT MEETING WITH THE REDEVELOPMENT AGENCY

APPROVE AGENCY MINUTES OF JUNE 24, 2003

On motion of Councilmember Sterling, seconded by Acting President Castillo, duly carried, **RESOLVED**, the Agency minutes of June 24, 2003, approved as submitted.

(“A”) CONSIDER APPROVAL OF THE REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS (MARIPOSA PROJECT AREA), SERIES 2003, AND RELATED MATTERS

1. RESOLUTION NO. 2003-219 - APPROVING THE ISSUANCE, SALE AND DELIVERY OF THE REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS (MARIPOSA PROJECT AREA), SERIES 2003

2. AGENCY RESOLUTION NO. 1632 - APPROVING THE ISSUANCE, SALE AND DELIVERY OF THE REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS (MARIPOSA PROJECT AREA), SERIES 2003; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE, THE PRELIMINARY OFFICIAL STATEMENT, AND FORM OF CONTINUING DISCLOSURE AGREEMENT; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

Redevelopment Administrator Murphey reviewed the issue as contained in the staff report as submitted.

On motion of Councilmember Dages, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Council Resolution No. 2003-219 and Agency Resolution No. 1632 hereby adopted, by the following vote:

Ayes : Boyajian, Calhoun, Castillo, Dages, Perea, Sterling, Duncan
Noes : None
Absent : None

(“B”) AWARD A CONTRACT TO KROEKER, INC., OF FRESNO FOR THE RELOCATION OF BUILDINGS IN ARMENIAN TOWN (‘O’ AND ‘N’ STREETS)

(2 - 0) Redevelopment Administrator Murphey reviewed the issue as contained in the staff report as submitted.

Councilmember Calhoun noted he is always concerned when a single bid is received but after extensive briefing by staff stated he would support the issue citing the high cost to demolish a house versus moving and explained, and spoke to the need to be careful with the historic structures and comply with the EIR. Ms. Murphey and Agency Executive Director Fitzpatrick responded to questions/concerns of Acting President Castillo relative to the interim location site, cost to move to another site, if the EIR dealt with the various sites or permanent site, and concern with additional costs if the EIR determines none of the sites are appropriate.

On motion of Councilmember Dages, seconded by Councilmember Sterling, duly carried, RESOLVED, a contract for the Base Bid only (removal and storage) in the amount of \$173,800 hereby awarded to Kroeker, Inc., for the relocation of buildings in Armenian Town, by the following vote:

Ayes : Boyajian, Calhoun, Castillo, Dages, Perea, Sterling, Duncan
Noes : None
Absent : None

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The joint bodies recessed at 9:31 a.m. and the City Council reconvened in regular session.

(9:30 A.M.) CONSIDER AMENDMENTS TO THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) ON THE RUNNING HORSE PROJECT

Planning and Development Director Yovino reviewed the issue as contained in the staff report as submitted, spoke in support of extending the agreement to allow the developer to complete certain tasks in the agreement that have not been completed, and advised more complete information was needed so staff could best evaluate the risks and benefits of the project and make a recommendation on how the project can be financed and moved forward.

City Financial Advisors David Brodsky of Kelling, Northcross & Nobriga, and Bob Williams, Managing Director with the City’s bond underwriter, explained the why the information from the developer was needed and spoke to possible financing alternatives that could be considered, risks, and work that needs to be done.

Tom O’Meara, Owner, Cypress Investment Corporation, spoke to the status of the project, advised of his meeting with the City on his program and noted the City was secure in that the golf course was worth \$15 million and the 370 proposed lots were worth \$48 million and Cypress was asking for a maximum of \$24 million, and concluded stating they were moving forward, were excited about the project, and added it was important to understand what the project would bring to the city and explained.

Councilmember Perea questioned why certain tasks in the agreement had not been completed and what the developer was asking of Council, with Mr. O’Meara responding. Controller Quinto added the developer was saying there was no need to provide financial statements until Council makes a commitment and clarified staff would not recommend approval of a bond until the financial information is submitted. Chief Assistant City Attorney Sanchez spoke briefly to the original agreement relative to the exclusive opportunity for the City and developer to work out project details and risk, and to the extension request. Upon further question of Councilmember Perea, City Manager Hobbs stated staff’s recommendation was a way of keeping all the city’s options open, spoke in support of the project stating the potential was wonderful and it could bring in as much as \$100-\$150 million to southwest Fresno, advised the issue staff was wrestling with was how to make the deal happen with minimal risk to the general fund and clarified Council would have to determine what an acceptable level of risk was, and stated the hiring of a project manager was the city’s commitment to the project

Extensive discussion ensued with Mr. O'Meara, Mr. Hobbs, Mr. Williams, Agency Director Fitzpatrick, Mr. Yovino and Mr. Brodsky responding to questions/comments of Councilmembers Dages, Calhoun, President Boyajian and Acting President Castillo relative to whether the developer would build homes on the 58 lots no matter what, if the lots had been purchased, need to submit financial statements and keep

them confidential if necessary, financials being very private documents, **(3 - 0)** the disconnect being with the signed ENA and the developer's unwillingness to provide the information agreed to, if the developer was changing provisions of the agreement because prior information was leaked, why the developer was objecting to providing information, why the developer felt the City lost faith in the project, Council still being supportive of the project and staff needing the information to complete its due diligence, the stadium bonds and how these bonds compared, how there could be risks if the lots will increase in value, if the developer has been marketing the lots, what the Founder's Club was, if the Agency director had been privy to some meetings and if he felt the project was a crossroads (with Mr. Fitzpatrick speaking to where the project was this date and what was needed from both sides), continued questioning relative to what the biggest obstacle was, if the developer was familiar with a Madera project, why the developer does not build the golf course himself if it will raise the value of the lots, why the city should take the risk, how other golf courses would benefit with this golf course, and Acting President Castillo speaking to an informal survey he conducted with area golf courses, stating he wanted to see a 3 to 1 value ratio and more from the developer, and expressing his concern stressing the developer had not provided information he agreed to provide. **(4 - 0)** Councilmember Calhoun stated he was very comfortable with the new management team now working on the project.

Speaking to the issue were: Barbara Hunt, 2475 S. Walnut, opposed to the project; Marian Mosely, 3161 W. Kearney Boulevard, support; Harlan Kelly, 3378 W. Kearney Blvd., support; George Sinopoli, 6508 N. Palm, Chair, California Veterans Board, support; Dr. Edward Mosely, 3075 W. Kearney Blvd., support; Dr. Noel Smith, 3161 W. Kearney Blvd., support; Alisa Lee, 3880 N. Fruit #113, support; LaVera Williams, 3017 W. Kearney Blvd., support; Charles Parnell, 935 Jasmine, support; Warren Lane, 3120 Swift Circle, support; and Leonard Patterson, 3060 W. Madison, support.

Councilmember Sterling spoke at length to her district and the things that were finally happening, spoke to the issue of risk and the need to take the risk citing the importance of the project to southwest Fresno and the entire community, and stated direction needed to be given to staff and to the developer and added the developer would submit the information if Council gives direction to do so. Councilmember Duncan stated he agreed with Councilmember Sterling and added the merits of the project were not being focused upon **(5 - 0)**, stressed at issue was extending the agreement to allow the developer to provide the information, emphasized this was an anchor project with the potential to change the entire city, spoke to the issue of risk and stated this was about investment and opportunity and was long overdue, and concurred information was needed and made a motion to (1) amend the existing ENA, specifically Section 2 to allow for a six month time extension, and Section 6 to include additional Developer Tasks to be completed by September 15, 2003; (2) direct city staff to concurrently develop a detailed financing program for the Running Horse Development based on a city loan structured as a lease financing bond, with such bond to be secured by a Mello Roos lien on the project and that this provision for a city financing program be made a part of CITY TASKS in the ENA; and (3) direct city staff and the Developer to return to Council by mid-September with a detailed development and financing strategy complete with all supporting independent third party due diligence reports, studies and analysis, and commented further stressing this was a project with 15-months of time being it and hundreds of thousands of dollars of investment into it on both sides and it needed to be wrapped up.

Councilmember Perea questioned what the City would be "on the hook" for if the motion were to be approved, with Mr. Yovino and Mr. Hobbs responding. Councilmember Perea stated he would support the motion as long as it moved the project forward and clarified his support was not a commitment of taxpayer dollars without seeing the financial information. Acting President Castillo stated his problem with extensions was someone did not do their work, stated he would support a three month extension with the possibility of another three months if the information is submitted, and reiterated he wanted to see the developer put more money on the table before moving forward with bonds. Mr. Hobbs stated the issue was before Council because the ENA expired this date, noted the staff report pointed out staff has been unable to make a risk/benefit analysis of the project because the developer has not submitted the necessary information, reiterated he was excited about the project but stressed a clear analytical assessment was needed on the risks, and added staff was more than willing to work with the developer stressing the financial information was needed.

Discussion continued. Councilmember Dages spoke to the spin-off from the new Sunnyside High School and the perception of southwest Fresno stating Mr. O'Meara was on the right track, and stressed the need for the developer to provide the information and asked Mr. O'Meara to not put him the position of saying no to the bonds. Councilmember Duncan spoke to his concern of sharing confidential information and questioned if a confidential agreement could be drafted, with Mr. Sanchez responding. Councilmember Duncan requested a report on the previous incident and what happened so Council could try to hold the person who shared the information accountable. Upon question of Mr. Yovino, Councilmember Duncan clarified staff's recommendation for Mr. O'Meara to financially participate in the feasibility study was part of his motion. Mr. Hobbs concurred there was a need to be clear on what studies the developer would undertake since there

was a specific timetable in the motion. Brief discussion ensued on the timetable with Mr. Yovino stating he did not see how staff could report back by mid September with a financing plan should Mr. O'Meara submit his information a few days before that. Upon question of Mr. Hobbs, Ms. Quinto stated staff would need two, preferably three weeks after the developer's information is received to report back, and added staff would need and expect from the developer a feasibility study, a site plan and engineering so staff could know how much it will cost to complete the infrastructure work. Upon question, Mr. O'Meara requested one week so he could talk with his partners to see if they wanted to continue along with the golf course and explained. It was determined there was confusion all around with the motion, the timetable, what was expected of the developer, and what the developer expected of Council, whereupon President Boyajian recommended Council recess for lunch and requested staff and the developer meet in the interim and discuss the motion and timetable and what was being asked. The matter was continued to after lunch.

LUNCH RECESS - 12:15 P.M. - 2:03 P.M.

Proceedings continued. Councilmember Duncan stated the meeting between staff and the developer had been very productive and agreement was reached on a timetable and amended his motion to have the developer return by October 15th and staff to return within 30 days after that with a detailed development and financing strategy complete with all supporting independent third party due diligence reports studies and analysis, which amendment was accepted by the second-maker.

Acting President Castillo stated Sacramento's budget situation was still unclear and expressed his concern and spoke in opposition to the bond and various issues at length and stressed if any property owner(s) refuse to sell their property Council will be asked to impose eminent domain. Councilmember Perea reiterated he supported moving the process along but again clarified his "yes" vote was not a vote in support of \$24 million in bonds. President Boyajian stated he has been waiting for a project on the west side for a long time, noted there has always been peripheral development and stated this project would jump start the fringe, stated the \$24 million would quadruple and expressed concern with comments made stating he heard the same thing with the Kearney Shopping Center, and stressed viable projects near the inner-city were needed and added Mr. O'Meara took the chance when others haven't.

On motion of Councilmember Duncan, seconded by Councilmember Sterling, duly carried, RESOLVED, (1) Section 2 of the existing Exclusive Negotiating Agreement (ENA) hereby amended to allow for a six month time extension, and Section 6 amended to include additional Developer Tasks to be completed by September 15, 2003; (2) City staff directed to concurrently develop a detailed financing program for the Running Horse Development based on a city loan structured as a lease financing bond, with such bond to be secured by a Mello Roos lien on the project, with this provision for a city financing program to be made a part of CITY TASKS in the ENA; and (3) the Developer to return by October 15, 2003, and City staff to return to Council within thirty (30) after October 15th with a detailed development and financing strategy complete with all supporting independent third party due diligence reports, studies and analysis, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	Castillo
Absent	:	None

The City Council recessed at 2:23 p.m. and convened in joint session with the Joint Powers Financing Authority.

(10:00 A.M.) JOINT MEETING WITH THE JOINT POWERS FINANCING AUTHORITY

("A") APPROVE APPOINTMENT OF MEMBERS TO THE JOINT POWERS FINANCING AUTHORITY

(6 - 0) Briefly reviewed by Councilmember Duncan.

On motion of Councilmember Duncan, seconded by Mayor Autry, duly carried, RESOLVED, President Boyajian appointed to the Joint Powers Financing Authority, by the following vote:

Ayes	:	Autry, Duncan
Noes	:	None
Absent	:	None

(“B”) APPROVE MATTERS RELATING TO INVESTING FUNDS IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) THROUGH THE JOINT POWERS FINANCING AUTHORITY (JPFA)

1. JPFA RESOLUTION NO. 17 - APPROVING A PROMISSORY NOTE PAYABLE TO THE CITY OF FRESNO

2. COUNCIL RESOLUTION NO. 2003-220 - APPROVING AND ACCEPTING THE PROMISSORY NOTE FROM THE JPFA

Controller Quinto reviewed the issue as contained in the staff report as submitted stating this was a routine transaction.

Barbara Hunt, 2475 S. Walnut, spoke to the legality of the JPFA.

On motion of President Boyajian, seconded by Mayor Autry, duly carried, RESOLVED, the above entitled JPFA Resolution No. 17 hereby adopted, by the following vote:

Ayes	:	Autry, Boyajian, Duncan
Noes	:	None
Absent	:	None

Ms. Quinto responded to questions of Acting President Castillo relative to why the JPFA was established, meaning of “one day money”, and if a JPFA could be established at any given time.

On motion of Acting President Castillo, seconded by Councilmember Duncan, duly carried, RESOLVED, the above entitled Council Resolution No. 2003-220 hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Dages, Perea, Sterling, Duncan
Noes	:	None
Absent	:	None

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The joint bodies adjourned their meeting at 2:32 p.m. and the City Council reconvened in regular session.

(2:00 P.M.) CONTESTED CONSENT CALENDAR:

(1-B) APPROVE REAPPOINTMENT OF KEITH CHUN TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION, AND NEW APPOINTMENTS OF JOHN DODDS AND WALTER BECKER TO THE MOBILE HOME RENT REVIEW COMMISSION - MAYOR AUTRY

Acting President Castillo noted the address listed on John Dodds’ notification/application form did not exist and requested the matter laid over one week so staff could look into it.

On motion of Acting President Castillo, seconded by Councilmember Sterling, duly carried,. RESOLVED, Keith Chun hereby reappointed to the Housing and Community Development Commission and Walter Becker appointed to the Mobile Home Rent Review Commission, and the appointment of John Dodds laid over one week to verify the address, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

(1-H) DIRECT STAFF TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH KERMAN TELEPHONE COMPANY FOR INSTALLATION OF COMMUNICATION CONDUIT FOR THE CITY’S INTELLIGENT TRANSPORTATION SYSTEM (ITS)

Upon the request of Acting President Castillo, Professional Engineer Ennis explained the agreement and responded to questions relative to why Kerman Telephone needed access and if the work would be done in conjunction with the current Herndon widening project.

Cindy Lee, SBC, stated this was the first time she had seen such an agreement and upon question Mr. Ennis stated SBC would be afforded the same opportunity if the need arises.

On motion of Acting President Castillo, seconded by Councilmember Duncan, duly carried, RESOLVED, staff directed to negotiate an agreement between the City and Kerman Telephone Company to install communication conduits for the City's ITS system, and the City Manager authorized to execute the same subject to approval from the City Attorney's Office, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : None

(1-I) CONSIDER THE PROPOSED COPPER-CEDAR NO. 2 REORGANIZATION CONSISTING OF 61.2 ACRES PROPOSED FOR DETACHMENT FROM THE FRESNO COUNTY FIRE PROTECTION DISTRICT AND ANNEXATION OF THE SAME TERRITORY TO THE CITY OF FRESNO (DISTRICT 6)

1. * RESOLUTION NO. 2003-221 - APPLYING TO LAFCO IN THE MATTER OF THE PROPOSED COPPER-CEDAR NO. 2 REORGANIZATION

Planning & Development Director Yovino responded briefly to questions of Acting President Castillo relative to whether this project was part of the tax sharing agreement negotiations with the County and if this was the way all annexations would occur from now on.

On motion of Acting President Castillo seconded by Councilmember Duncan, duly carried, RESOLVED, the finding of the Mitigated Negative Declaration dated January 14, 2002, for Environmental Assessment No. A-01-07, R-01-09, TT-5010 and the Notice of Conformity to Master Environmental Impact Report No. 10130 dated February 26, 2003, for Rezoning Application No. R-02-27, Conditional Use Permit No. C-02-249 and Tentative Tract No. 5101 that the reorganization will not have a significant adverse effect upon the environment hereby adopted, and the above entitled Resolution No. 2003-221 adopted, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : None

(1-J) * RESOLUTION NO. 2003-222 - 1ST AMENDMENT TO AAR 2003-209 APPROPRIATING \$112,600 IN GRANT FUNDS FROM THE STATE OF CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

(1-K) * RESOLUTION NO. 2003-223 - 2ND AMENDMENT TO AAR 2003-209 APPROPRIATING \$152,900 IN GRANT FUNDS FROM THE STATE OF CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD FOR THE PURPOSE OF RE-BUDGETING THE GRANT FOR FY 2004

Code Enforcement Manager Villa responded to questions of Councilmember Calhoun and clarified issues relative to the difference between the two items, the grants funds and what the grants were for, why funds were being re-budgeted, if these were multi-year grants, if employees hired would be eliminated when the grants expires, impacts of the grants, and how tire facilities' operation would be monitored. Councilmember Duncan briefly left the meeting at 2:49 p.m. Councilmember Calhoun requested staff provide and update report stating Council was interested in the programs.

On motion of Councilmember Calhoun, seconded by Acting President Castillo, duly carried, RESOLVED, the above entitled Resolution Nos. 2003-222 and 2003-223 hereby adopted, by the following vote:

Ayes : Calhoun, Castillo, Dages, Perea, Sterling, Boyajian
 Noes : None
 Absent : Duncan

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(10:10 A.M.) HEARING ON REZONE APPLICATION NO. R-03-24 AND ENVIRONMENTAL FINDINGS, FILED BY WILLIAM AND ANDRA LEWIS, PROPERTY LOCATED AT 410 W. EL DORADO AVENUE (DISTRICT 3)

1. CONSIDER AND ADOPT THE FINDING OF CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. R-03-024

2. BILL NO. B-60 - ORDINANCE NO. 2003-58 - AMENDING THE OFFICIAL ZONE MAP TO REZONE THE SUBJECT PROPERTY FROM R-3 TO M-1

President Boyajian announced the time had arrived to consider the issue and opened the hearing. Planner Dilbeck gave a brief overview of the issue as contained in the staff report as submitted.

Barbara Hunt, 2475 S. Walnut, spoke in opposition. Councilmember Duncan returned to the meeting at 2:53 p.m.

Upon call, no one else wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Sterling, seconded by Acting President Castillo, duly carried, RESOLVED, the Categorical Exemption for Environmental Assessment No. R-03-24, dated May 20, 2003, hereby approved, and the above entitled Bill No. B-60 rezoning the subject property adopted as Ordinance No. 2003-58, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

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(10:15 A.M.) HEARING TO CONSIDER THE PROPOSED ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1

1. RESOLUTION NO. 2003-224 - CONFIRMING DIAGRAM AND ASSESSMENT AND LEVY OF ANNUAL ASSESSMENTS

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Assistant Engineering Services Manager Froberg gave an overview of the issue as contained in the staff report, and Assistant City Manager Souza, Chief Assistant City Attorney Sanchez and Public Works Director Ruiz responded to questions of Councilmember Duncan and Acting President Castillo relative to option to increase assessments in the future and the city's contract with Sanger including cost to the city and ability to recoup costs.

Upon call, no one wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Duncan, seconded by Councilmember Dages, duly carried, RESOLVED, the above entitled Resolution No. 2003-224 hereby adopted, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

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(10:30 A.M.) HEARING ON REZONING APPLICATION NO. R-02-15 AND ENVIRONMENTAL FINDINGS, FILED BY SAINT AGNES MEDICAL CENTER, PROPERTY LOCATED AT 1149 E. SPRUCE AVENUE (DISTRICT 6)

1. CONSIDER AND ADOPT ENVIRONMENTAL ASSESSMENT NO. R-02-15/S-03-91, FINDING OF CONFORMANCE WITH 2025 FRESNO GENERAL PLAN MASTER EIR NO. 10130

2. BILL NO. B-61 - ORDINANCE NO. 2003-59 - AMENDING THE OFFICIAL ZONE MAP TO REZONE THE SUBJECT PROPERTY FROM C-1/UGM/cz TO C-P/UGM

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Councilmember Duncan gave a brief overview of the issue and Planner Allinder noted a correction to Page 3 of the staff report that the total number of vehicle trips was 2,100 instead of 355.

Barbara Hunt, 2475 S. Walnut, spoke to the impact to the general plan. Councilmember Calhoun and Acting President Castillo briefly left the meeting at 3:02 p.m.

Upon call, no one else wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Duncan, seconded by Councilmember Dages, duly carried, RESOLVED, Environmental Assessment No. R-02-15/S-03-091, dated May 20, 2003, resulting in a finding of conformance hereby approved, and the above entitled Bill No. B-61 rezoning the subject property adopted as Ordinance No. 2003-59, by the following vote:

Ayes : Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : Calhoun, Castillo

Mike Gallagher, St. Agnes Hospital, thanked Council and staff for their support and efforts.

Acting President Castillo returned to the meeting at 3:04 p.m.

(10:35 A.M.) HEARING ON REZONE APPLICATION NO. R-03-10 AND ENVIRONMENTAL FINDINGS, FILED BY RICHARD FAIRBANK, PROPERTY LOCATED ON THE NORTHEAST CORNER OF THE FRIANT EXPRESSWAY AND N. FORT WASHINGTON ROAD (DISTRICT 6)

1. CONSIDER AND ADOPT ENVIRONMENTAL ASSESSMENT NO. R-03-10, RESULTING IN AN ADDENDUM TO THE PREVIOUS ENVIRONMENTAL ASSESSMENT NO. R-98-10/A-98-08

2. BILL NO. B-62 - ORDINANCE NO. 2003-60 - AMENDING THE OFFICIAL ZONE MAP TO REMOVE THE CONDITION OF ZONING: "PROVIDE PEDESTRIAN ACCESS FROM THE SHERMAN AVENUE CUL-DE-SAC ON THE NORTH AND PEDESTRIAN ACCESS WITHIN THE CENTER, ORIENTED TO THE STRATFORD SIGNALIZED INTERSECTION"; THE EXISTING C-2 ZONE DISTRICT WOULD REMAIN

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Chief Assistant City Attorney Sanchez and Councilmember Duncan responded to questions of President Boyajian relative to the access issue and whether it was the only issue this date, and Planner Gerster noted the staff report as submitted was complete and recommended approval.

Barbara Hunt, 2475 S. Walnut, spoke to the issue.

Upon call, no one else wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Duncan, seconded by Councilmember Dages, duly carried, RESOLVED, Environmental Assessment No. R-03-010, resulting in an addendum to the original Environmental Assessment No. R-98-010/A-98-008 hereby approved, and the above entitled Bill No. B-62 adopted as Ordinance No. 2003-60, by the following vote:

Ayes : Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : Calhoun

(10:40 P.M.) HEARING ON REZONE APPLICATION NO. R-03-11 AND ENVIRONMENTAL FINDINGS, FILED BY TEJINDER RANDHAWA, PROPERTY LOCATED AT 1210 COLLINS AVENUE (DISTRICT 3)

1. CONSIDER AND ADOPT THE FINDING OF CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. R-03-11

2. BILL NO. B-63 - ORDINANCE NO. 2003-61 - AMENDING THE OFFICIAL ZONE MAP TO REZONE THE SUBJECT PROPERTY FROM R-P/CZ TO R-P

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Planner Dilbeck gave a brief overview of the issue as contained in the staff report as submitted.

Barbara Hunt, 2475 S. Walnut, spoke to the issue and questioned why the developer was not present **(7 - 0)**. Councilmember Sterling advised she had met with the developer and stated this was a good project and made a motion to approve.

Upon call, no one else wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Sterling, seconded by Councilmember Dages, duly carried, RESOLVED, the Categorical Exemption for Environmental Assessment No. R-03-011, dated April 2, 2003, hereby approved, and the above entitled Bill No. B-63 rezoning the subject property subject to zoning conditions recommended by the Airport Land Use Commission adopted as Ordinance No. 2003-61, by the following vote:

Ayes	:	Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	Calhoun

(10:45 A.M.) HEARING TO CONSIDER ADOPTION OF RESOLUTIONS DESIGNATING PROPERTIES TO THE LOCAL REGISTER OF HISTORIC RESOURCES (PROPERTIES LOCATED IN DISTRICT 3)

- 1. RESOLUTION NO. 2003-225 - DESIGNATING THE ADAM BAIRD HOME LOCATED AT 136 N. VAN NESS AVENUE**
- 2. RESOLUTION - DESIGNATING THE CREST THEATRE SIGN, MARQUEE, AND TICKET BOOTH LOCATED AT 1160 BROADWAY**
- 3. RESOLUTION NO. 2003-226 - DESIGNATING THE KEARNEY BOULEVARD GATEWAY LOCATED AT FRESNO STREET AND KEARNEY BOULEVARD**

President Boyajian announced the time had arrived to consider the issue and opened the hearing. Councilmember Calhoun returned to the meeting at 3:11 p.m.

Historic Preservation Project Manager Hattersley-Drayton reviewed the three properties as contained in the staff reports as submitted.

Barbara Hunt, 2475 S. Walnut, spoke in support of the designations.

Upon call, no one else wished to be heard and President Boyajian closed the public hearing.

Councilmember Sterling spoke in support of the designations. Councilmember Calhoun spoke to the issue of the Crest Theatre stating if the designation is approved code enforcement will not be able to go after the owners if the structures fall apart and questioned what message the City would be sending to them, with Ms. Hattersley-Drayton responding. Councilmember Calhoun made a motion to approve all three designations, which motion was seconded by Councilmember Sterling. Councilmember Duncan requested each resolution be voted upon separately with Council concurrence.

Ms. Hattersley-Drayton responded to questions of Councilmember Duncan relative to why the Baird Home was just now coming to Council for designation when it has been eligible since 1994, consequences of designating structures historic, and how long the Crest has been eligible for designation. Councilmember Duncan stated he supported the Baird Home and the Kearney Gateway but did not see the Crest as a unique historic asset and stated he was also concerned with the impact a designation would have as the city looks to do something spectacular at the Fulton Mall. Ms. Hattersley-Drayton, Planning and Development Director Yovino and Chief Assistant City Attorney Sanchez responded to questions/comments of President Boyajian, Acting President Castillo and Councilmember Duncan relative to whether more stringent maintenance requirements could be placed on owners, blighted/deteriorated buildings (such as the Bank of Italy and Arco Building) and how designations would affect them, if staff would be talking with property owners on upkeep, if a commitment from property owners could be made part of the criteria and need for a commitment to preserve structures, why the vacant building ordinance relative to maintenance is not enforced, recommendation to delay action until staff reports back on how they will enforce the ordinance, need for property owner to be responsible because once a building is designated historic the city cannot touch it, and concern with the Crest Theatre becoming blight if it is designated historic without a program or plan.

Councilmember Calhoun urged Council to approve all three structures stating the planning and development department had become very effective and powerful with the reorganization citing the movement on the long-vacant McMahan's building, and relative to the Crest stated the owner needed help and good things would happen as downtown was coming back.

On motion of Councilmember Calhoun, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution No. 2003-225 designating the Adam Baird Home to the Local Register of Historic Resources hereby adopted, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : None

A motion of Councilmember Calhoun, seconded by Councilmember Sterling, to designate the Crest Theatre Sign, Marquee, and Ticket Booth to the Local Register of Historic Resources failed, by the following vote:

Ayes : Calhoun, Perea, Sterling,
 Noes : Castillo, Dages, Duncan, Boyajian
 Absent : None

On motion of Councilmember Calhoun, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution No. 2003-226 designating the Kearney Boulevard Gateway to the Local Register of Historic Resources hereby adopted, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : None

Acting President Castillo requested before the Crest Theatre is brought back that the city attorney's office report on how staff will be working on enforcement, with President Boyajian adding the city was institutionalizing blight citing the Arco, McMahan's and Bank of Italy buildings. Councilmember Calhoun emphasized a vacant building ordinance was already in place and worked noting it was used to go after the McMahan's building and stressed the City did not need any more tools.

(11:00 A.M. #1) HEARING ON REZONE APPLICATION NO. R-03-23 AND ENVIRONMENTAL FINDINGS, FILED BY CHIZUKO INOUE AND GARY MASON, PROPERTY LOCATED AT 1362 N. CEDAR AVENUE (DISTRICT 4)

1. CONSIDER AND ADOPT THE FINDING OF A CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. R-03-23

2. BILL NO. B-64 - ORDINANCE NO. 2003-62 - AMENDING THE OFFICIAL ZONE MAP TO REZONE THE SUBJECT PROPERTY FROM R-1 TO R-2

President Boyajian announced the time had arrived to consider the issue and opened the hearing. A motion and second was made to approve staff's recommendation, and Planner Dilbeck advised the staff report as submitted was complete.

Upon call, no one wished to be heard and President Boyajian closed the hearing.

On motion of Acting President Castillo, seconded by President Boyajian, duly carried, RESOLVED, the Categorical Exemption for Environmental Assessment No. R-03-23, dated May 16, 2003, hereby approved, and the above entitled Bill No. B-64 rezoning the subject property adopted as Ordinance No. 2003-62, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
 Noes : None
 Absent : None

(11:00 A.M. #2) HEARING ON REZONE APPLICATION NO. R-03-19 AND ENVIRONMENTAL FINDINGS, FILED BY COLEEN STANDING, PROPERTY LOCATED ON THE NORTH SIDE OF E. POWERS AVENUE BETWEEN N. CEDAR AND N. MAPLE AVENUES (DISTRICT 6)

1. CONSIDER AND ADOPT THE FINDING OF A CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. R-03-19

2. BILL NO. B-65 - ORDINANCE NO. 2003-63 - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM AE-20 TO R-1-B

141-319

7/15/03

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Councilmember Duncan stated the requested action would bring the property into compliance with the general plan, and Planner Bernal added the staff report as submitted was complete.

Upon call, no one wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Duncan, seconded by Councilmember Dages, duly carried, RESOLVED, the Categorical Exemption for Environmental Assessment No. R-03-019 hereby approved, and the above entitled Bill No. B-65 rezoning the subject property adopted as Ordinance No. 2003-63, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

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(2:30 P.M.) HEARING ON REZONE APPLICATION NO. R-03-25 AND ENVIRONMENTAL FINDINGS, FILED BY DANIEL AND THAVONE DiMAURO, PROPERTY LOCATED ON THE NORTH SIDE OF W. CALIMYRNA AVENUE BETWEEN N. BRAWLEY AND W. BULLARD AVENUES (DISTRICT 2)

1. CONSIDER AND ADOPT THE FINDING OF CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. R-03-25
2. BILL NO. B-66 - ORDINANCE NO. 2003-64 - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM AE-5 TO R-2

President Boyajian announced the time had arrived to consider the issue and opened the hearing.

Planner Bernal advised the staff report as submitted was complete.

Upon call, no one wished to be heard and President Boyajian closed the hearing.

On motion of Councilmember Calhoun, seconded by Councilmember Dages, duly carried, RESOLVED, the Categorical Exemption for Environmental Assessment No. R-03-025 hereby approved, and the above entitled Bill No. B-66 rezoning the subject property adopted as Ordinance No. 2003-64, by the following vote:

Ayes	:	Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	None

- - - -

(2:45 P.M.) REPORT ON DIRECTION OF DOWNTOWN PARKING PROGRAM

Public Works Director Ruiz and Parking Supervisor Estabrooke gave an overview of the issue and the program staff was recommending --Option 3.

Speaking in support of staff's recommendation were: Benjerman Raya, 2139 Kern Street; Barbara Hunt, 2475 S. Walnut **(8 - 0)**; Stephanie Espinosa, Executive Director, Downtown Association, 960 Fulton Mall #102; and Kathy Omachi, Chinatown Revitalization, 1433 Kern Street.

Mr. Ruiz, Mr. Estabrooke and Transportation Manager Madewell responded to questions of Councilmember Duncan relative to the \$2.00 Saturday parking for structures 2 and 4 and if the time could be changed to 5:00 p.m. citing concern with leakage, and what the impact would be on street parking with the covering meters in the mall specific area and no parking allowed. Councilmember Duncan made a motion to approve Option 3 as recommended by staff. Upon the advice of Chief Assistant City Attorney Sanchez the motion was changed to direct staff to return in one week with enabling documents to implement Option 3 (due to how the item was titled).

Councilmember Dages commended staff on their great job and stated his support for Option 3. Mr. Madewell responded to questions of Councilmember Perea relative to clean air vehicles/ ½ price parking fee and when Council's previously approved direction to staff to return

with a free parking plan for clean air vehicles at all meters and city structures would be brought back.

141-320

7/15/03

Councilmember Sterling thanked Chinatown Revitalization and the Downtown Association for their input and Councilmember Dages for his leadership and efforts. Acting President Castillo spoke to the need to recapture some lost revenues and urged staff to enforce the illegal parking lots. Mr. Estabrooke, City Manager Hobbs and Mr. Madewell responded to questions of President Boyajian relative to the flexibility of the plan, if it could be revisited in six months, concern with the \$18.00 ticket and if there were any plans for computer meters with longer stays, if kiosks were planned, if there would be security after 6:00 p.m., and the 4th floor traffic department being inconvenient and if there were any plans to locate to a more customer-friendly location.

On motion of Councilmember Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, staff to return in one week with enabling documents to implement Option 3 as recommended by staff, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes : None
Absent : None

- - - -

Brief discussion ensued on whether to convene in closed session at this time.

A motion of Councilmember Dages, seconded by Councilmember Duncan, to consider Item **2-D** before convening in closed session was unanimously approved.

(2-D) RESOLUTION NO. 2003-227 - ESTABLISHING A SERVICE AUTHORITY FOR ABANDONED VEHICLE ABATEMENT AND AUTHORIZING THE PLANNING AND DEVELOPMENT DIRECTOR TO SIGN ON BEHALF OF THE CITY

Code enforcement Manager Miller reviewed the issue as contained in the staff report as submitted.

Barbara Hunt, 2475 S. Walnut, spoke to the issue questioning how much of the fees would go to the City and County.

A motion and second was made to adopt the resolution. Councilmember Duncan spoke in opposition stating this would not improve the problem and a lot of dollars would be collected but not more cars, and questioned if staff had a plan to take more cars off the road than they are doing now, with Ms. Miller responding.

On motion of Councilmember Dages, seconded by Acting President Castillo, duly carried, RESOLVED, the above entitled Resolution No. 2003-227 hereby adopted, by the following vote:

Ayes : Castillo, Dages, Sterling, Boyajian
Noes : Calhoun, Duncan, Perea
Absent : None

- - - -

(4) CLOSED SESSION:

(A) CONFERENCE WITH LABOR NEGOTIATOR - EMPLOYEE ORGANIZATION: FRESNO CITY EMPLOYEES' ASSOCIATION (FCEA)

(B) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CASE NAME: BOMBAY CORPORATION, ET AL., V. CITY OF FRESNO, FRESNO SUPERIOR COURT CASE #02 CE CG 0202

The City Council met in closed session in Room 2125 at the hour of 4:33 p.m. to consider the above issues and reconvened in regular open session at 5:28 p.m.

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(4:00 P.M.) SCHEDULED COMMUNICATION:

(A) PRESENTATION BY FRESNO CITY EMPLOYEES' ASSOCIATION (FCEA) EMPLOYEES REGARDING CONCERNS - ACTING PRESIDENT CASTILLO

FCEA Representative Correa requested his appearance be rescheduled for next week and advised significant strides had been made on the status of ongoing negotiations and he would continue to meet with staff. Council agreed to the continuance, brief discussion ensued on the time, and City Clerk Klisch stated she would advise Mr. Correa of the time.

- - - -

(4:30 P.M.) RESOLUTION NO. 2003-228 - APPROVING THE TRANSFER OF CARD ROOM PERMIT FROM DIAMOND SPORTS BAR AND CASINO TO CLUB ONE CASINO, AND AMENDING RESOLUTION NO. 97-289 RELATING TO THE CARD ROOM PERMIT HELD BY CLUB ONE

Assistant City Manager Souza gave a brief overview of the issue as contained in the staff report as submitted and recommended approval of the sale to Club One.

Attorney John Cardot, representing David Chanduloy dba Diamond Sports Bar and Casino, stated he was in agreement with the staff report, reviewed the issue at length **(9 - 0)**, and urged Council's support of the sale.

Speaking to the issue were: Benjerman Raya, 2139 Kern Street, opposed to the sale; and Barbara Hunt, 2475 S. Walnut, support for staff's recommendation.

Councilmember Dages spoke briefly in support of the sale and made a motion to approve, which motion was seconded by Acting President Castillo (who subsequently withdrew his second).

Mr. Souza, Chief Assistant City Attorney Sanchez, and George Sarantos, Club One, responded at length to questions and comments of Acting President Castillo relative to additional revenues anticipated with the transfer, when Club One's revenues would turn, concern with allowing one casino to have all the tables with no guarantee of increased revenues, what the combined revenues of Club One and Diamond Sports Bar were to the city, if an increase in players is seen when one card room shuts down, a serious buyer coming forth and why all tables should be tied up, if there was an ability to leverage the tables by specifying a threshold, evaluating revenue production in one year and request to include that provision in the approval, concern with tables stored and not used or not used to the fullest, the value of tables going up with a monopoly, if Club One had a marketing plan, if the city could legally impose conditions, and if Club One would be interested in talking with city staff on plans and efforts to bring people downtown. Upon question of President Boyajian, Councilmember Dages stated he would not make any conditions part of the motion. Acting President Castillo stated his concern was there were no guarantees on revenues, on utilizing all tables at all time, and on a certain amount of tournaments or marketing. Mr. Sarantos questioned how many more tournaments a year Acting President Castillo wanted and advised he would put on two tournaments per month, explained how tournaments work, and added if too many restrictions are put on them "pretty soon they are not in business." Brief discussion ensued on putting on two "large" tournaments a year, if that would be made part of the motion, and what the definition of "large/big" tournament was. Councilmember Dages stated he would add the restriction if Mr. Sarantos wanted it but clarified he was more comfortable with the motion as it was and added Council should not be placing any restrictions.

Acting President Castillo withdrew his second and the motion was then seconded by Councilmember Duncan who stressed it was not Council's job to micro-manage a successful businessman and not appropriate, and stated Club One was operating under the law and had the support of staff and urged Council to let Mr. Sarantos do his business. Deputy City Attorney Beck and Mr. Raya responded to questions of President Boyajian relative to number of tables that have to be on the floor, selling the tables and evaluating revenue production, the Bud Long issue, and if any of the people interested in opening up a card room were currently licensed by the state.

On motion of Councilmember Dages, seconded by Councilmember Duncan, duly carried, RESOLVED, the above entitled Resolution No. 2003-228 approving the sale of 15 card room tables from the Diamond Sports Bar and Casino to Club One Casino in the total purchase price of \$385,000 hereby approved, by the following vote:

Ayes	:	Dages, Duncan, Sterling, Boyajian
Noes	:	Calhoun, Castillo, Perea
Absent	:	None

(2-A) APPROVE COUNCIL OF FRESNO COUNTY GOVERNMENTS (COFCG) RAIL COMMITTEE RECOMMENDATIONS REGARDING HIGH-SPEED RAIL

Transit General Manager Rudd reviewed the issue and recommendations as contained in the staff report as submitted **(10 - 0)**.

Gloria Torrez, Fresno, stated she did not want FAX monies used for this, spoke in opposition to moving the transit station, to the need for bus riders to be involved, and to the need to invest money in the current system stressing improvements were needed, and stated clean air diesel buses were needed; and Barbara Hunt, 2475 S. Walnut, spoke in support of staff's recommendation.

Brief discussion ensued with Mr. Rudd responding to a question of Councilmember Duncan relative to what would happen to high-speed rail if Senator Costa's bond measure fails, Councilmember Calhoun spoke further to the COG Rail Commission's recommendation relative to the spur issue, and Mr. Rudd and Councilmember Calhoun responded to questions of President Boyajian relative to Fresno not losing the opportunity for a downtown facility and keeping Council informed.

On motion of Councilmember Duncan, seconded by Acting President Castillo, duly carried, **RESOLVED**, (1) the COFCG Rail Committee's alternative recommendation to give further consideration to the utilization of a spur line in order to accommodate trains not stopping in Fresno hereby approved, (2) relative to whether high-speed trains should or should not operate through the cities of Kingsburg, Selma and Fowler, Council agrees with staff's determination that this is an issue that must be addressed by the policymakers responsible to the residents of the affected communities; and (3) Council support of a policy modification that a high-speed rail station in downtown Fresno must allow for the maximum multi-modal interface with other means of regional and local passenger transportation hereby approved, by the following vote:

Ayes	:	Calhoun, Castillo, Duncan, Perea, Sterling, Boyajian
Noes	:	None
Absent	:	Dages

(2-B) BILLS FOR ADOPTION RELATING TO RECOVERY OF COSTS AND PENALTIES INCURRED OR IMPOSED

1. * BILL NO. B-58 - ORDINANCE NO. 2003-65 - ADDING ARTICLE 20 TO CHAPTER 9 OF THE FRESNO MUNICIPAL CODE RELATING TO HAZARDOUS SPILLS EXPENSE RECOVERY

2. * BILL NO. B-59 - ORDINANCE NO. 2003-66 - AMENDING THE FRESNO MUNICIPAL CODE RELATING TO RECOVERY OF COSTS AND PENALTIES INCURRED OR IMPOSED IN ENFORCEMENT OF NUISANCE ABATEMENT ACTIONS

Assistant City Manager Souza reiterated staff's recommendation to adopt the Master Fee Schedule amendments was being stricken and clarified at issue this date was adoption of the two ordinances only.

Barbara Hunt, 2475 S. Walnut, spoke in support of the ordinances. Councilmember Dages returned to the meeting at 6:40 p.m.

On motion of Councilmember Duncan, seconded by Councilmember Perea, duly carried, **RESOLVED**, the above entitled Bill Nos. B-58 and B-59 adopted as Ordinance Nos. 2003-65 and 2003-66 respectively, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Perea, Sterling, Boyajian
Noes	:	Castillo
Absent	:	None

(2-C) APPROVE CONDITIONAL USE PERMIT (CUP) NO. C-03-038, A MAJOR AMENDMENT TO PREVIOUSLY APPROVED CUP NO. C-01-179, PROPERTY LOCATED AT THE SOUTHEAST CORNER OF HERNDON AND PALM AVENUES (DISTRICT 2)

Assistant City Manager Souza advised the item was set under general administration as alcohol sales were involved, and Planner Allinder added a zoning condition was also at issue. Councilmember Calhoun stated this had been an extremely long process on a very difficult site and explained, commended the Bullard Community Plan Advisory Committee for all their time and work, and made a motion to approve. President Boyajian stated he could not support the project because the developer originally promised the neighbors there would

be no supermarket and also because of traffic impacts.

141-323

7/15/03

On motion of Councilmember Calhoun, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution No. 2003-229 hereby adopted, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling
Noes : Boyajian
Absent : None

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(2-E) * BILL FOR INTRODUCTION ADDING ARTICLE 22 OF CHAPTER 2 TO THE FRESNO MUNICIPAL CODE RELATING TO CAMPAIGN CONTRIBUTION LIMITS AND OTHER CAMPAIGN CONTROLS FOR CANDIDATES FOR ELECTIVE OFFICE

Chief Assistant City Attorney Sanchez gave a brief overview of the issue as contained in the staff report as submitted.

Barbara Hunt, 2475 S. Walnut, spoke in support of limits.

Councilmember Dages stated the State's Political Reform Act (PRA) was enough restriction, noted the County Board of Supervisors, Assembly and Senate had no other restrictions other than State law and every County elected official had no restrictions at all, stated he felt Council had enough faith in themselves to do what was right, and made a motion to approve Option 3 to reject the ordinance as he did not feel the ordinance was appropriate and added if Council did not learn a lesson from Operation Rezone they would never learn.

Councilmember Duncan stated he strongly opposed the motion and was very uncomfortable with no restrictions adding restrictions have been reasonable and good for the city. Councilmember Calhoun stated he would not accept rejecting the ordinance and spoke in support of the ordinance as submitted with an amendment to change the late contribution threshold from \$100.00 to \$1,000 and explained stating that amount fell in line with the State and the PRA. Councilmember Perea disagreed there would be no limits stating there were laws and guidelines and the Board of Supervisors and Clovis used them, and spoke to the equity issue stating those that were wealthy could write themselves a check as his opponent did and explained. Upon question of Councilmember Duncan, Mr. Sanchez and Deputy City Attorney Yukimoto stated there were no contribution limits for local elections under the State law. Councilmember Duncan stated that was why Council needed to have some reasonable limitations, agreed with Councilmember Calhoun's amendment to increase the late expenditure threshold, and stated additional modifications were needed relative to insuring all donations are accessible on the internet and updating language relative to reporting late expenditures to include e-mail or web form, and stated with those changes the ordinance would be fair and reasonable. President Boyajian stated he could not support the motion due to vested interests and explained. Councilmember Perea stated he was under the impression Council would fall under the same contribution limits as State assembly members if they followed the same rules as the Board of Supervisors, with Ms. Yukimoto clarifying that would only apply to candidates for State elective office. Councilmember Perea reiterated he was opposed to people having or giving an unlimited amount, he wanted some limitation, and stated he could not support any of the options presented.

A motion of Councilmember Dages, seconded by Acting President Castillo, to approve Option 3 to reject the ordinance failed, by the following vote:

Ayes : Castillo, Dages,
Noes : Calhoun, Duncan, Perea, Boyajian
Absent : None
Abstain : Sterling

Councilmember Duncan made a motion to introduce the ordinance as submitted with the following modifications: raise the late expenditure amount to \$1,000 to be consistent with State law, include language to require the City Clerk to post contributions (donor and amount) on the internet, and in Section 22-2211 and 22-2212 include reference to electronic communication, which motion was seconded by Councilmember Calhoun.

Councilmember Dages stated he was under the same impression there were limitations on the Board of Supervisors, etc., stated he wanted the same level playing field as the other 14 incorporated cities, noted he had a concern with the amendment to have something electronically stating some people could not afford a computer (with Councilmember Duncan clarifying that would be an option, not a

requirement), and stated he would like to see higher limits than those proposed and identification of contributors and explained. Upon question of City Clerk Klisch, Councilmember Duncan clarified only the late expenditure threshold would be raised and the \$100.00 contribution requirement would remain

141-324

7/15/03

Ms. Yukimoto responded to questions of Councilmembers Sterling and Perea relative to what the Supervisors' requirements were, when they could start raising funds, if the ordinance with changes would be status quo except for the late expenditure, Councilmember Calhoun clarifying the ordinance as modified would bring the city into line with the State's changes, what State candidates' limitation were, and if the Supervisors were not subject to anything other than State law **(11 - 0)**. Councilmember Perea stated he wanted to see a different version come back noting if the motion on the floor fails he would make another motion. Acting President Castillo expressed his concern that Option 3 failed because someone assumed a person would come up and give \$20,000 to a candidate and questioned how many times that happens, and stated it infuriates him when comments are made that a candidate can be bought and explained.

A motion of Councilmember Duncan, seconded by Councilmember Calhoun, to introduce the ordinance as submitted with the following modifications: raise the late expenditure amount to \$1,000 to be consistent with State law, include language to require the City Clerk to post contributions (donor and amount) on the internet, and in Section 22-2211 and 22-2212 include reference to electronic communication, failed, by the following vote:

Ayes : Calhoun, Duncan, Sterling
Noes : Castillo, Dages, Perea, Boyajian
Absent : None

Acting President Castillo stated he wanted to reconsider Option 3. Councilmember Perea made another motion to approve Option 3 (reject the ordinance) and direct the city attorney to return with an ordinance consistent with requirements for State elected officials, which motion was seconded by Councilmember Sterling after clarification was made. Lengthy discussion ensued on the motion, need for certain guidelines/provisions, internet posting/access, and the State's requirements, with Councilmember Perea, Mr. Sanchez and Ms. Yukimoto responding to questions and/or clarifying issues.

On motion of Councilmember Perea, seconded by Councilmember Sterling, duly carried, RESOLVED, the ordinance rejected (Option 3) and staff directed to return with a new ordinance consistent with the requirements for State elected officials, by the following vote:

Ayes : Castillo, Dages, Perea, Sterling
Noes : Duncan, Boyajian
Absent : None
Abstain : Calhoun

(2-F) * BILL NO. B-67 - RELATING TO THE PERMITTING AND REGULATION OF MOBILE VENDORS IN THE CITY OF FRESNO AND STREAMLINING THE CODE RELATING TO THE REVOCATION AND SUSPENSION O BUSINESS PERMITS

Chief Assistant City Attorney Sanchez and Deputy City Attorney Phelan reviewed the issue and ordinance as contained in the staff report as submitted.

Speaking in opposition to the ordinance citing the rights of people to make a living. were Gloria Torrez, Fresno, and Barbara Hunt, 2475 S. Walnut.

Upon question of Acting President Castillo, Ms. Phelan stated the County dealt with the issue of sanitation.

On motion of Acting President Castillo, seconded by Councilmember Perea, duly carried, RESOLVED, the above entitled Bill No. B-67 introduced before the Council and laid over, by the following vote:

Ayes : Calhoun, Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes : None
Absent : None

(3-A) DESIGNATION OF COUNCIL COMMITTEE WORK WITH THE CITY MANAGER’S OFFICE AND CITY ATTORNEY IN CONTRACT NEGOTIATIONS WITH GLOBAL SPECTRUM REGARDING CONVENTION CENTER MANAGEMENT - COUNCILMEMBER STERLING

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Councilmember Sterling noted Global officials were in town ready to negotiate the contract and she wanted three members, with herself as head Councilperson, if Council agrees, along with two others, and recommended Acting President Castillo and Councilmember Duncan be designated, and added she also wanted a member of the Fresno City Employees Association (FCEA) to be a member of the committee to review proceedings.

Assistant City Manager Souza gave a brief status report on the issue, and relative to including an FCEA member recommended that person’s focus be on the transition plan only and not the larger terms and conditions, with Councilmember Sterling concurring and clarifying her intent was for employees to know they were being represented. Councilmember Calhoun stated he was concerned with the idea that there was going to be “wheeling and dealing” negotiations, emphasized Global was selected because they came in with a proposal and he had a real concern if major changes were going to be made, and stated he was really concerned with the 3-member council committee and a FCEA member. Mr. Souza stated the term “negotiation” was being used very fluidly and implied more than what would be happening and clarified direction was to execute an agreement and negotiation of terms would not happen. Chief Assistant City Attorney Sanchez added the big parameters had already been laid out by Council and stated if anything came up different it would be brought back to Council. Councilmember Calhoun questioned why policy-makers would even be involved stating this was a staff function, stated when and if anything had to come back to it should come back to seven members, and stated he felt Council was putting its nose where it did not belong. President Boyajian stated a council committee was needed because Council needed to be there to make a deal happen stating he did not even know if the city had a deal at this point.

A motion and second was made to establish the council committee. Mr. Sanchez clarified negotiations would be confidential until a deal was ready for execution and recommended the FCEA member not participate in any meetings but be given information *after* the meetings, with Councilmember Sterling concurring.

Barbara Hunt, 2475 S. Walnut, spoke in opposition to the issue and process **(12 - 0)**.

Upon the recommendation of Councilmember Duncan, a committee expiration date was added to the motion. Upon question of Councilmember Perea, Mr. Souza stated information would be given to the FCEA member with ample time to review and comment.

On motion of Councilmember Sterling, seconded by Councilmember Perea, duly carried, **RESOLVED**, a Council committee consisting of Councilmembers Duncan and Sterling and Acting President Castillo hereby designated to work with the city manager’s office and city attorney in contract negotiations with Global Spectrum regarding Convention Center management, with the committee formed for the duration of the Convention Center out-sourcing negotiations and until such time as a contract is executed, by the following vote:

Ayes : Castillo, Dages, Duncan, Perea, Sterling, Boyajian
Noes : Calhoun
Absent : None

(3-B) DIRECT CITY ATTORNEY TO PREPARE ALL DOCUMENTS TO CREATE A 501(c)3 ENTERTAINMENT/SPORTS AUTHORITY INTEGRATING THE CONVENTION CENTER OPERATIONS, CONVENTION CENTER AND VISITORS’ BUREAU, AND CITY EVENT DAYS AT THE MULTI-PURPOSE STADIUM, AND REQUEST ENABLING DOCUMENTATION WITHIN 30 DAYS - ACTING PRESIDENT CASTILLO
1. DIRECT STAFF AND THE CITY ATTORNEY TO PROVIDE ALL OPTIONS RELATING TO THE CONSOLIDATION OF THE CONVENTION CENTER, SELLAND ARENA AND EXHIBIT HALL F OR THE PURPOSE OF SALE AND LEASE BACK OPTIONS. ALL FINANCING MECHANISMS TO BE INCORPORATED INTO THE 501(c)3 STRUCTURE WITH ALL OPTIONS TO BE BEFORE COUNCIL WITHIN 90 DAYS FOR ACTION

Reviewed by Acting President Castillo who stated this would direct staff to look at different financing options for renovation of the Convention Center and bring any options back for Council’s consideration.

Barbara Hunt, 2475 S. Walnut, spoke to the issue.

Councilmember Calhoun expressed concern that no written material/background information was presented to Council, questioned how Acting President Castillo expected Council to vote on this stating it was very unfair to Council, and stated there were huge implications and he would not support this.

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City Manager Hobbs stated this was a very important issue and spoke to and explained the difference between a financial 501(c)3 and an operational 501(c)3, and noted staff was supportive if a financial 501(c)3 was being talked about and explained. Chief Assistant City Attorney Sanchez responded to questions relative to creating a 501(c) 3 that would break away from the City governance and amount of time needed by staff to report back with documents. Mr. Hobbs clarified a 501(c)3 could be created and would be independent of the City but clarified Council could not replicate the board of directors and explained. Discussion ensued on the financial and operating 501(c)3's, Mr. Hobbs suggested Council bifurcate the two issues, Acting President Castillo reiterated he wanted options so Council could determine which was best to rehabilitate the Convention Center, bringing both options back on the same track in 90 days, and Mr. Hobbs stating he did not want any association with turning over the actual management control and ownership of \$150 million of assets to a third party.

Acting President Castillo made a motion to direct staff to return in approximately 90 days with information and enabling documents on both options. Upon question of Councilmember Duncan for clarification, Acting President Castillo stated he wanted information on both an operational proposal for a 501(c) and financial 501(c)3 for Council discussion and determination. Councilmember Duncan stated he felt this item had no business even being here, noted the city was not a position this date to begin negotiations with Global Spectrum on a major new contract and at the same time work on turning over the entire Convention Center complex to the private sector and give up total control, stated he, too, was extremely concerned with lack of back-up data, noted the city manager and his experts were already looking at options, and strongly urged a no vote stating maybe in the future this could be looked at but it was not appropriate at this time. Councilmember Sterling concurred with the need for information with Acting President Castillo clarifying direction being given to staff was to bring back the information to help Council make a decision. Upon question of Councilmember Sterling, Mr. Hobbs stated he felt the item was premature, stressed there were profound differences with the two issues, and stated to look at both would be a significant investment of time, with Acting President Castillo responding. Councilmember Calhoun spoke to the lateness of the hour and expressed his concern stating the issue was being debated by two people and stressed it was time to take a vote, with President Boyajian responding. Councilmember Calhoun stated the item was poorly presented and he would not participate any further and left the meeting at 8:34 p.m. Councilmember Perea stated all the motion was doing was asking for options and no binding decisions were being made is date. President Boyajian stated he could support the financial but not the operations.

A motion of Acting President Castillo, seconded by Councilmember Perea, to direct staff to return in 90 days with information on both a financial 501(c)3 and operational 501(c)3 along with enabling documents to move forward failed, by the following vote:

Ayes	:	Castillo, Perea
Noes	:	Dages, Duncan, Sterling, Boyajian
Absent	:	Calhoun

UNSCHEDULED ORAL COMMUNICATION

APPEARANCE BY BARBARA HUNT REGARDING THE MASTER SETTLEMENT AGREEMENT

Appearance made.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 8:37 p.m. having arrived and hearing no objections, President Boyajian declared the special meeting adjourned.

APPROVED on the ____22nd____ day of July, 2003.

_____/s/_____
Tom Boyajian, Council President

ATTEST:

_____/s/_____
Yolanda Salazar, Assistant City Clerk

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